

**3Q17 Financial Release
CEO/CFO Statements
October 30, 2017**

Courtney Holben, IRO

Thank you, operator. Good afternoon, everyone. This is Courtney Holben, Vice President of Investor Relations. Thank you for joining us. Earlier today, Unisys released its third quarter 2017 financial results. I'm joined this afternoon to discuss those results by Peter Altabef, our President and CEO; and Inder Singh, our CFO.

Before we begin, I'd like to cover a few details. First, today's conference call and the Q&A session are being webcast via the Unisys Investor website. Second, you can find the earnings press release and the presentation slides that we will be using this afternoon to guide our discussion, as well as other information relating to our third quarter performance on our Investor website, which we encourage you to visit. Third, today's presentation, which is complementary to the earnings press release, includes some non-GAAP financial measures. The non-GAAP measures have been reconciled to the related GAAP measures, and we've provided reconciliations within the presentation.

Although appropriate under Generally Accepted Accounting Principles, the company's results reflect charges that the company believes are not indicative of its ongoing operations and that can make its profitability and liquidity results difficult to compare to prior periods, anticipated future periods or to its competitors' results. These items consist of pension and cost reduction and other expense. Management believes each of these items can distort the visibility of trends associated with the company's ongoing performance.

Management also believes that the evaluation of the company's financial performance can be enhanced by use of supplemental presentation of its results that exclude the impact of these items in order to enhance consistency and comparativeness with prior or future period results. The following measures are often provided and utilized by the company's management, analysts and investors, to enhance comparability of year-over-year results, as well as to compare results to other companies in our industry, non-GAAP operating profit, non-GAAP diluted earnings per share, free cash flow and adjusted free cash flow, EBITDA and adjusted EBITDA and constant currency.

From time-to-time, Unisys may provide specific guidance regarding its expected future financial performance. Such guidance is effective only on the date given. Unisys generally will not update, reaffirm, or otherwise comment on any prior guidance, except as Unisys deems necessary, and then, only in a manner that complies with Regulation FD.

And finally, I'd like to remind you that all forward-looking statements made during this conference call are subject to various risks and uncertainties that could cause the actual results to differ materially from our expectations. These factors are discussed more fully in the earnings release and in the company's SEC filings. Copies of those SEC reports are available from the SEC, and along with other materials I mentioned earlier, on the Unisys Investor website.

And now, I'd like to turn the call over to Peter.

Peter Altabef, CEO

Thank you, Courtney and thank you all for joining us today to discuss our third quarter financial results. We're pleased with our strong quarter and believe that our results mark progress on both improving our go-to-market efforts and on profitability.

Looking at slide 4, you can see that revenue for the quarter was down approximately 2.5 percent year over year, which is a 510-basis-point improvement versus the rate of decline in the prior-year period. We saw another strong quarter for signings with new business and total company ACV up significantly year over year, which I will discuss shortly.

We saw a strong Technology quarter led by higher ClearPath Forward revenue. Regarding Security, we continue to build Stealth into our broader set of solutions to differentiate our offerings versus our competitors. We also saw Stealth continue to gain traction with new signings on a standalone basis, seeing the most new Stealth wins in a quarter to date. As you know, Stealth is just one component of our security focus and we saw a significant growth in our pipeline for security overall.

We saw progress in the profitability of our Services segment, both on a sequential and year-to-year basis. While we still have work to do to achieve our longer-term margin goals for Services, we have taken a number of important steps that are yielding results and which should have a more meaningful impact in the coming quarters.

To illustrate our go-to-market in progress, let me turn to slide 5. Total TCV of \$624 million for the quarter was down year over year, largely due to a tough compare against the prior-year period in which we signed a large 12-year contract. As we have discussed, total TCV can be lumpy from period to period due to renewal cycles, which is why we think new business TCV which includes new scope and new logo is also important to consider. We saw a 38 percent increase year over year in new business TCV to \$214 million. Growth of new business is important to growth of the company overall. So, we're pleased to see this kind of progress.

Additionally, as we previously mentioned, we are turning our external metrics more to ACV or annual contract value. ACV represents the revenue expected to be recognized during the first 12 months following the signing of a contract. ACV does not necessarily represent a full 12 months revenue run rate for new contracts, as there is often a delay between the signing of a contract and the commencement of revenue recognition. In the third quarter, total company ACV was \$400 million, which is up 14 percent year over year. New business ACV of \$116 million was up over 150 percent year over year.

We'd also like to share some information regarding our sales pipeline. As background, because we have not previously discussed pipeline on our earnings calls at this level of detail, we consider our pipeline to be prospective sales opportunities that we are pursuing or for which we have submitted bids. The aggregate value of the total company opportunities in our pipeline is approximately \$12.3 billion, which represents a 22 percent increase from a year ago. Our new business pipeline grew 18 percent year over year to \$9.6 billion. Also, our security pipeline, which encompasses more than Stealth, grew by 59 percent year over year, ending the quarter at over \$790 million. Of course, not all opportunities in our pipeline will translate into revenue, but pipeline is a leading indicator that we look to for growth.

Additionally, as we have previously discussed, we have launched a number of IP-led industry application products to help drive our industry go-to-market effort such as Elevate. Our pipeline for these products and related services grew 8 percent sequentially to \$800 million as of the end of the third quarter. We expect these offerings to create cross-selling opportunities to clients who are interested, not only in these specific solutions, but other specific solutions for those industries.

Lastly, on this slide, we saw focus industry revenue at approximately 45 percent of total company revenue grow 7 percent year over year.

As a result of our performance year-to-date and based on the leading indicators we track, we are reaffirming our guidance for the full year of 2017 for revenue, non-GAAP operating profit and adjusted free cash flow, as Inder will go through in more detail shortly.

Turning now to Services. We have several initiatives aimed at improving the profitability of our Services segment. For example, one key focus item for the second half of this year has been to improve productivity rates. During the third quarter, we worked to improve our ratio of dedicated FTEs to managed devices in our Services business, which we believe will improve profitability. Our goal is to bring this ratio in line with industry standards by yearend. We reduced Services head count by over 800 associates sequentially during the third quarter in Enterprise Solutions and remain focused on further improving our productivity rates. We also believe that existing and future investments in automation and artificial intelligence will help drive these productivity rates over time.

ClearPath Forward Services, which accounts for a mid single-digit percent of Services revenue, continues to demonstrate positive trends, with low double-digit revenue growth and gross margins roughly double those for Services overall.

Additionally, our IT Infrastructure Transformation work, within our Cloud and Infrastructure business, has been a key focus for us and was just placed in the Winner's Circle for IT Infrastructure Management and Enterprise Cloud Services by HfS Research.

Moving now to Technology, as I mentioned, we saw strong growth in this segment. We were pleased with progress in the quarter on new client wins for Stealth with 16 signings overall. As we noted at the time, we had four signings in the quarter by the time of our last earnings call in July. So, that indicates acceleration in the number of signings over the course of the quarter.

We have previously discussed our work with LogRhythm to incorporate Stealth into an adaptive security architecture. In the third quarter, we launched delivery of LogRhythm consulting and managed services for select clients, with expected global availability in the first quarter of 2018. We're also working closely with LogRhythm to extend the platform's capabilities using our cyber security analytics.

Turning now to some color on our various sectors. Our U.S. Federal business continues to demonstrate solid performance. Revenue growth was over 1 percent year over year for the third quarter, despite a later than typical government budget appropriations, which led to some delays in new signings. The third calendar quarter marks the end of the government's fiscal year. Entering the new government fiscal year, we are pleased with our Federal Services backlog, which is at its highest level in over eight years. As a result of this and performance to-date, we're expecting a strong 2017 for U.S. Federal overall.

During the quarter, in collaboration with a partner, we won an engagement to implement a Unisys Stealth pilot solution for the U.S. Navy and its data center environment.

We also added new scope to our work with the United States Customs and Border Protection, part of the Department of Homeland Security, to provide biometric solutions to identify non-U.S. citizens departing from airports and land pedestrian checkpoints. Lastly, Unisys Stealth software was selected by a National Security Agency as a core architectural element to integrate various biometric identifiers to address a key security need.

Our Public Sector had a challenging revenue quarter, but saw encouraging trends regarding new contract signings. VicRoads, which manages the road network for the State of Victoria in Australia, awarded us a contract to provide state-of-the-art digital workplace services for the agency's approximately 3,500-employee workforce. This also represented a Stealth win in the quarter, as we are incorporating Stealth into our offerings, as well as a new logo.

Also in Australia, we expanded our work supporting the New South Wales Government in network and cloud solutions under their GovConnectNSW program.

Additionally, one of the biggest wastewater treatment companies in Brazil expanded its relationship with us to provide ClearPath Forward Services and data analytics services.

Our commercial sector was relatively flat this quarter, driven by strength in our Travel and Transportation business. In the third quarter, our Travel and Transportation cargo solution, Digistics, received the global award for “Best Software Architecture” from ICMG.

During the quarter, we signed a contract with a leading U.S. airline to launch a mobility solution to automate cargo processes at warehouses and ramps using smartphones and other mobile devices.

Additionally, InfoSky expanded its requirements for application support of the Digistics cargo solutions that it offers as hosted services to China’s airlines. InfoSky is a subsidiary of TravelSky, the leading provider of information technology solutions for China’s air travel and tourism industry.

And lastly, in commercial but outside of Travel and Transportation, DPSP, the second largest drugstore chain in Brazil and a new Unisys client, signed an agreement for Unisys to provide next-generation digital workplace services for more than 45,000 devices.

Financial Services also saw growth this quarter, driven by strength in commercial and retail banking. During the quarter, we signed a contract with a New Zealand bank to manage and maintain its core banking applications and to help better integrate these applications within the bank’s digital channels, as well as to set up a disaster recovery system.

Additionally, a bank in Asia Pacific extended its contract with Unisys for ClearPath Forward solutions to support the delivery of new and enhanced services to the bank’s customers as part of their digital transformation strategy.

And lastly, we signed a new logo contract with a leading provider of consumer credit products to provide a full suite of digital workplace services, including managed security services.

Finally, this quarter, Shalabh Gupta joined Unisys in the role of Treasurer, succeeding Scott Battersby after a 33-year tenure. Shalabh joined us in mid-August, most recently from Avon Products where he served as Vice President and Corporate Treasurer. He has extensive expertise in pension funding and risk management and has been recognized on multiple occasions for innovative pension strategies. We’d like to formally welcome Shalabh to the role and to thank Scott for all his contributions to the company.

With that, I’ll turn things over to Inder.

Inder Singh, CFO

Thanks, Peter. Hello, everyone, and thank you for joining us this afternoon. In my comments today, I’ll provide comparisons on a GAAP and non-GAAP basis. Just to remind you, the non-GAAP results exclude pension expense, cost reduction, and other charges.

As Peter discussed, we had a number of positive achievements in the third quarter, and we’re pleased with the progress we made. I will first summarize some of these on slide 7, and then provide more detail on our results in the following slides.

As slide 7 shows, we saw progress on the top line for the business overall as well as in each of the Services and Technology segments individually. Total revenue for the third quarter was \$666 million, which is flat sequentially. While it is down 2.5 percent year over year, this is 510 basis points better than what we saw a year ago.

Services revenue was down 4.2 percent, which again represents a 420-basis-point improvement versus what we saw a year ago. We also had a strong Technology quarter, with better revenue than we expected for the

segment. Technology revenue for the quarter was up 10 percent year over year and we're pleased to see these results.

We're also pleased to have made progress this quarter with our Services margins as a result of improvements to the cost structure of the business. We saw operating margins in Services improved by 480 basis points sequentially and improved by 60 basis points year over year. We are still planning to drive continued margin expansion in this business over time. This progress in Services margins also contributed to the improvement of margins for the overall company. We saw non-GAAP operating profit margin of 7.3 percent, which is 370 basis points higher sequentially and 60 basis points better year over year.

We also continued our execution on the project that I described last quarter related to improving working capital efficiency. Based on the process improvements and the system deployments we are executing, we expect to see a benefit in 2017 and 2018 exceeding \$100 million from this project.

Finally, we continued making progress on our capital structure. We entered into a new five-year revolving credit facility to replace the old one which was coming due next year in June of 2018. Additionally, we continue to reduce future pension funding exposure in our European pension plans including freezing the last significant open defined benefit plan. As usual, we will provide our overall updated estimates for pension obligation when we announce our fourth quarter results.

Turning to slide 8, you can see some of the key results for the quarter. We just discussed the revenue and margin trends, so I won't repeat those here. GAAP net income was down year over year as was non-GAAP net income. The non-GAAP year-over-year decline was driven by an increase in interest expense due to our new bonds, and taxes in Asia Pacific.

Adjusted EBITDA was up slightly year over year to \$89 million, helped by higher operating margin. Adjusted EBITDA margins were also up 50 basis points year over year. Lastly on this slide, operating cash flow was up 17 percent year over year, which I will give more color on shortly.

Turning to slide 9, you can see the mix of business for the quarter for every segment, geography, sector and revenue type. This is a high-level summary and I'll provide more color on the next three slides, so please turn to slide 10 for a more detailed view of revenue by region and sector for the third quarter.

The third quarter was a strong one for our Latin America and Asia Pacific regions, in particular. Latin America revenue grew by 40 percent year over year, driven by better performance in both our Services and Technology segments. Margins have also improved for this region, sequentially and year over year. We believe the continued progress Latin America has shown, both in terms of revenue and profitability, is a good validation of our focus in the region.

We're also pleased to see the strong performance in our Asia Pacific region which also saw growth across both Services and Technology.

EMEA delivered improvement on its Services revenue trends, with revenue in that region still down, but in the low single-digits. However, Technology revenue declined year over year in EMEA, as it did in the U.S. and Canada region.

With respect to the sector breakdown on the right-hand side of the page, third quarter saw revenues, which were flat to slightly up across U.S. Federal and Financial Services, with Commercial flat year over year. Public Sector saw a decline year over year, but as Peter mentioned, we're encouraged by the new client wins during the quarter which point to a longer-term healthy Public Sector business.

Moving to our segment results, please turn to slide 11. As I discussed earlier, improving the profitability of our Services segment remains a key focus, and in the third quarter, we saw progress on this front. Gross margins

for Services were up 240 basis points sequentially to 16.5 percent, which was down slightly year over year. From an operating profit standpoint, Services profit margin improved by 480 basis points sequentially or 60 basis points year over year, indicating progress on cost controls, which remain a key focus. We're pleased to see the actions we took in the third quarter are yielding results. However, there's still work to be done.

With respect to Technology, as we noted, the segment grew 10 percent year over year, as many of our planned deals for the quarter ended up being larger than expected. We do not anticipate that this will impact deals expected to be signed in the fourth quarter, rather, we continue to expect strong Technology performance in the fourth quarter, resulting in a solid second half in Technology as we had discussed on last quarter's call.

The third quarter included some higher hardware and third-party elements, which weighed on margins during the quarter. While it is not part of our strategy to sell more hardware as third-party products, we will, of course, do so as needed based on client demands and requirements. As I've already noted, we saw a stronger than expected quarter for Technology and we continue to believe that the fourth quarter will be a solid one, as well. We're still expecting the same level of deals as we have been planning for in the fourth quarter.

Last quarter, we gave color about the fourth quarter that would have led you to calculate an implied fourth quarter Technology revenue in the \$140 million to \$150 million range. We still expect to achieve a similar range for Q4, which as always is dependent on the timing of signing the deals we are expecting. As you know, margins for Technology are significantly higher than those in Services. So, we would expect this to have a positive impact on the fourth quarter at the operating margin level as well.

Services backlog grew slightly versus last quarter and ended the third quarter at \$3.7 billion. Of the third quarter Services backlog amount, we expect \$525 million to convert into revenue in the fourth quarter of 2017.

Slide 12 highlights our third quarter cash flow. Operating cash flow for the quarter was up 17 percent year over year, since our cash requirements for our restructuring plan were lower, as we approach the conclusion of our plan overall. Operating cash flow also saw some benefit of the working capital program I mentioned, which includes worldwide IT systems upgrades replacing manual processes over time.

In the third quarter, among other improvements, we saw DSOs improved by nine days sequentially. We expect to see more benefits from this program over time.

Free cash flow for the quarter was down on a year over year basis, due to an increase in capex, which also impacted adjusted free cash flow. We continue our capex-lite strategy and expect to see benefits from this over time. However, in the third quarter, we had approximately \$13 million in funding requirements related to our iPSL check-processing joint venture in the UK. These expenditures are for systems upgrades for converting from manual processes to optical recognition scanners for check processing in the UK.

Our agreement with iPSL is that our banking partners pay us for their share of the spending, but this typically happens about one quarter later. The iPSL systems upgrade process is scheduled to end by early 2018 when these expenditures and payments should be complete. Therefore, excluding the amount related to iPSL, capital expenditures in the third quarter of 2017 were slightly lower than in the prior-year period. We ended the quarter with \$599 million in total cash.

Let me now turn to guidance. The third quarter was a strong one for the company and we're pleased with the performance we saw across the business. As we sit here today, we also feel good about the outlook for the fourth quarter and, therefore, our ability to meet full-year guidance from both the revenue and non-GAAP operating profit. As I noted, we expect the fourth quarter to be another strong one for Technology, which will be a meaningful contributor given the significant margins attached to that business.

I will highlight that a substantial portion of Technology contracts are typically signed close to the end of the year. The timing of these deals governs when cash collections happen, which means the cash could be collected in either the fourth quarter of this year or first quarter of next year. I would say that we have good visibility on the top line and non-GAAP operating profit with respect to full-year guidance. So today, we are reiterating our revenue guidance of \$2.65 billion to \$2.75 billion, which is a year-over-year decline of 1 percent to 5 percent on a constant currency basis, and non-GAAP operating profit margins of 7.25 percent to 8.25 percent.

With respect to adjusted free cash flow and our guidance range of \$130 million to \$170 million, while we are reaffirming that range, the timing of deals I mentioned could influence whether we end up closer to the lower end of that range for the year, which is where we would guide you at the moment.

Overall, we feel good about the quarter, which shows strong improvement versus last quarter. As we look to the remainder of the year, there is still work to be done to achieve our goals, but we feel good based on where we are today.

With that, I'll turn the call back to Peter.

Question & Answer Section

Operator: Thank you. We will now begin the question-and-answer session. And the first questioner today will be Joseph Vafi with Loop Capital. Please go ahead.

Q – Joe Vafi – Loop Capital Markets LLC: Hey, everyone. Good afternoon. Nice to see a solid P&L and new signing results. I was wondering if we could maybe just jump into some of this ACV, TCV strength. What kinds of deals are these new business deals that you're signing? And if you could give us a sense of the margin structure on some of this new business you're bringing in? Then, I'll have a follow-up. Thanks.

A – Peter Altabef – Unisys Corp.: Yeah. Joe, thanks. That's a good question. So I'll start on the ACV, and then Inder can follow up on margin structure.

So, I think that this is probably the first year we've actually given ACV numbers. Historically, the company did not metric on ACV the way it is now. We think it is, in many ways, more telling as a leading indicator than TCV in the sense that TCV tends to get clouded with renewals. And renewals, as you know, can be very lumpy from year to year. There is a TCV metric that isn't around renewals and that's the new business TCV metric. That takes renewals and extensions out of that. So you're seeing me focus a little more on ACV, and then, to the extent we focus on TCV on the new business side of that.

I would say the strength is really kind of across the board. One of the interesting areas that I think you will see a lot of strength for us in the fourth quarter as well as going into next year is the public business. If you look at our numbers from a revenue standpoint, that public business has been, as I mentioned, challenged, particularly in the quarter, still having run-offs from deals that were lost a long time ago. I get tired of talking about LA LEADER, because that deal was lost in the end of 2014, but it's still hitting us this quarter significantly as headwinds.

But I think our signings in the public sector are very strong. And I think they will continue to be strong. And that is in part due to some of these focused solutions that I've mentioned.

So we've kind of outlined seven focused solutions. And those seven – there was an eighth called LineSight that doesn't get a public launching until early next year. Those eight now represent a pipeline for us of about \$800 million. And we are encouraged by that pipeline. It's still early days to see exactly how much of that comes to fruition, but we're encouraged by it.

So I'd say with respect to the third quarter signings, very strong on new business, whether you count TCV or ACV. On ACV, very strong throughout. And the total TCV was really hurt largely because of that one-time headwind of a large 12-year contract that was renewed last year.

A – Inder Singh – Unisys Corp.: I would just add that, Joe, on your question on margin. I mean we focus on margin as a company on the portfolio.

As Peter outlined, a number of the elements of TCV and ACV are renewals of contracts and as well as new logo. And we try to maintain the discipline across margin across the company and as we're trying to drive margins for Services.

Our renewals in Federal and our extensions and scope increases in Federal are high margin business for us. So we're trying to maintain the discipline around signing, I'll call it, not empty calorie business, but good calorie business, as we look at the ACV and TCV.

Q – Joe Vafi – Loop Capital Markets LLC: Great. Maybe we could talk about Stealth. And it sounds like there were some standalone deals signed in the quarter, and then, I've got a little interest in this Navy deal that you talked about that was with a partner.

So I mean I get that Stealth could be part of a greater software install that you're putting in. But maybe how are these standalone sales occurring? Is this a new channel you're building? And where do these partners fit in on kind of some of these standalone Stealth sales? Thanks.

A – Peter Altabef – Unisys Corp.: Yeah. So from a go-to-market, we really have three avenues now for Stealth. And we've added one really in the last quarter or at least five months.

So the three avenues are we sell through our existing Enterprise Solutions channel through that sales team. We sell through our Federal channel through that sales team. And then, we have created kind of a tiger team of what we call whales, but that tiger team is really focused on extending the distribution for Stealth through other companies that have wider distribution channels than we have.

So let me tease that out for you a little bit. VicRoads is a good example of the first. So VicRoads is a deal in Australia. At the heart of VicRoads was a digital workplace expansion, right? It has 3,500 people who work for that particular agency in Australia. We put in our workplace services there, we also put in managed services and we put in Stealth. And I can tell you, that Stealth was a differentiator in that sale.

And the fact that we are integrating that kind of a differentiated solution into our overall sales efforts, there's no doubt in my mind, it was a leading reason why we won that deal. So that's an example of an Enterprise Solution Stealth sale.

An example of a Federal Stealth sale would be the partner example that was referred to. So we partnered with a company that I would categorize as a pure-play Fed company and they were the prime on that particular deal. But we were a very strong sub. And again, the way they helped distinguish themselves was by our use of Stealth. And so, that was a very important part of that particular deal. Now, we prime a good amount of our work in the Federal business. But we're also willing to sub strategically and that was one where we sub strategically.

So the third example the whales. So what is that about? Well, LogRhythm is a pretty good example of that. So that's an example where LogRhythm has a go-to-market. They have a structure, in this case their cyber security offerings. We have built an API to kind of seamlessly put Stealth into their offering channel and to build it as part of their solution. So not only do we have our sales executives and teams and client executives running the distribution for Stealth as in the Enterprise Solutions and Federal business, we're now turning to a

company like LogRhythm and saying, okay, so we've integrated this in yours, now, you go sell it as a part of a bigger pie.

We're looking at other opportunities for those whales and those opportunities can take several different ways. It could be other companies like that that build Stealth into their offerings or it could be companies that are big players in, let's say, the Internet of Things universe that want to build Stealth into their IoT offerings. So that, that and that third channel, if you will, the whale channel is in its current incarnation relatively new, as I say the last four to five months.

Q – Joe Vafi – Loop Capital Markets LLC: Thanks very much, that's helpful, Peter.

Operator: And the next questioner will be Frank Atkins with SunTrust. Please go ahead.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Thanks for taking my questions. Wanted to ask first some strong demand coming out of Latin America and Asia, can you talk a little bit about the business development teams there and how sustainable that is, and what type of opportunity there is there going forward?

A – Peter Altabef – Unisys Corp.: Yeah. We think there's good opportunity in both geographies. And it used to be kind of a given that Latin America and Asia Pacific ought to grow faster than the others, but over the last couple of years, I think not just us, but the whole market has kind of turned a little topsy-turvy.

Again, we have a really strong leadership team in Asia Pacific that is I think being much more assertive than we had in the past in terms of finding new deals. Our name recognition in Asia Pacific and in Latin America is very strong, by the way, we've got a new leadership team in Latin America. And so, we're really focusing now on a combination of those really assertive leadership teams which I'm very proud of and very specific solutions.

So we're taking these new solutions and using them as kind of leading lights into a client base that historically has been there for us. We just didn't have the new solutions to sell into that client base. And so, we're really kind of, if you will, giving a rebirth to that existing client base that knows us and likes us, and then, interestingly, as we're doing that, we're finding new clients tagging along.

And so, it's pretty cool. We're bullish about both geographies. We think in EMEA, we are kind of getting to the nut of our issues. We're continuing to work on cost redistribution there, but we are beginning to see some really nice wins in EMEA on new business. Not anything I can discuss on this call, but you will hear about it on the fourth quarter call, and it's good stuff. So we're beginning to see a turn I think in our EMEA business, that too has been instigated by a very strong leadership team that we've brought in there.

U.S./Canada is in some ways the hardest, because as I mentioned to Joe's question, we still have some headwinds there around things like LA LEADER and such. So the numbers can be difficult because of the headwinds. But I do believe that the strategy of our focused offerings is going to bear fruit in U.S./Canada as well. So although you see a pretty significant decline year to year in the quarter numbers, we don't anticipate that kind of a decline going forward, although I'm not speaking about next quarter in particular.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. Great. That's helpful. And I wanted to shift a little bit to the pension sort of things, the transition of the Treasurer, Scott Battersby, and bringing on the new gentleman. I don't know if he's on the call or not, but any change in the philosophy in terms of how you expect to deal with the pension under the new treasurer and strategies you might employ or maybe you could highlight some of his experience on that pension side would be helpful?

A – Inder Singh – Unisys Corp.: I'll start it, and then, I'll ask Shalabh to join in and add to it. So what we're looking at over the next 5 to 10 years is really managing our pension obligations, and as I noted on the call, we're already starting to make progress on that front.

I think that as we look at the next few years, our goal is to focus on de-risking the liabilities and making sure that the return on assets that we're seeing are optimized. So, I'm going to actually ask Shalabh to join in here, who's on the call with us today, and provide additional color in terms of how he's thinking about it from a strategy standpoint. It's a little early for us to talk to you about specifics, but let's frame for you the way we're thinking about it.

A – Shalabh Gupta – Unisys Corp.: Hello, everyone. As you know, I just joined Unisys a couple of months ago. So I'm still in the process of understanding the risk and trying to develop a strategy going forward. Essentially, what my prior experience has been is implementing LDI strategies. And looking at Unisys risk, obviously, that would be a key component of it, but additionally, looking at asset efficiency, I think that's clearly important here in the Unisys perspective. So we're looking at that as well as implementing LDI strategies going forward.

So again, as I said, it's still early. It's been a couple of months, still in the process of analyzing and developing strategies at this point.

A – Inder Singh – Unisys Corp.: And Frank, I think, he's being a little bit modest in terms of the volume of things that he started to look at already. Again, nothing that we can announce today necessarily, but as we look at the progress being made on the focus that's been put on this, we're very, very pleased with just a few months it. And as we look out for the next 5 to 10 years and you know this Frank, our focus is to drive cash flow. It's also with Shalabh joining now to make sure that we are looking at the pension obligations as well as the assets that we have deployed against those liabilities over time and making sure that we have our assets working for us as well as the cash flow we're driving through operations.

A – Peter Altabef – Unisys Corp.: Yeah. This is Peter. I just second Inder's endorsement of Shalabh. He has hit the ground running and is working on a number of opportunities. In addition to the pension side, Shalabh has taken over responsibility for taxes for Unisys. And while that might not seem as near a drop as pension opportunities, there are also opportunities for us on the taxes side. It will take a little longer to fully develop those, but those are on the radar as well.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. Great. Thank you very much.

Operator: And our next questioner will be Joan Tong with Sidoti & Company. Please go ahead.

Q – Joan Tong – Sidoti & Co. LLC: Good afternoon. It's Joan Tong with Sidoti & Company. And so, I would like to ask you guys about the new service offerings that you have been rolling out in the past couple of quarters. I just want to get a sense in terms of the progress of those new offerings in stimulating demand for Unisys. Can you just give us a little bit more detail?

A – Peter Altabef – Unisys Corp.: Yeah, Joan. Thanks very much and thank you for being kind about the name. We do know you as Joan.

Let me explore that a little bit and then have Inder jump in any way he would like. So in terms of what we're doing with services and the new services offerings, you have heard me now talk a little bit for the last quarter or two about the work we're doing in terms of bringing automation and AI into what we used to call end user and which now we're calling Digital Workplace. There has been a huge amount of work on that.

And as part of that and one of the things that kind of was always a part of that plan was really to drive efficiency in the cost base of our Digital Workplace offerings. And we've always talked about that as an opportunity for margin experience over time. So automation and AI are ongoing, but the re-engineering of that business is apace.

And so you saw sequentially, for us, from the second quarter to the third quarter, about 800 individuals no longer with us, quality individuals by the way. But in order for us to hit kind of the productivity targets that we need to hit and in order to work on the new framework, it's just not as people intensive a business.

And we think that's important. We think if we're ever going to break out and get away from a linear model on revenues in things like Digital Workplace, we're going to have to get out of that and not just be an extra body for extra revenue.

So that's what's going on in that marketplace. We're being successful in new wins there. We like our new model. And we think that over time, we'll be able to drive margin from it.

One of the other initiatives I mentioned as a services initiative, which we actually launched last year, which has continued to be successful for us is ClearPath Forward Services. As I noted in my comments, it's growing faster than the company as a whole, and it is more profitable than the Services business as a whole. In fact, it's about twice as profitable as the rest of the Services business.

So what that is all about is going to those ClearPath Forward customers that are using either their own teams or in many, many cases, smaller third party teams to do applications and modernization on top of our ClearPath Forward base, because they have literally thousands of applications out there that run on ClearPath Forward.

So that's an effort for us to do managed services, long-term services, application development for them where we really know that work very, very well and we can give them comfort that not only do we know it well, but we're going to know it well for a long time going forward.

So this is what I consider both an offensive and a defensive strategy. Offensively, it's giving us good revenue growth and good profitability. Defensively, it also makes our ClearPath Forward technology stronger, because we're providing them not only their own folks and their own kind of traditional lines of support for that, but us as a support mechanism. That's the second of the three items I'd like to outline for you, Joan.

The third are services that will accompany the new and refreshed industry products that we referred to in the call. So I referred to about \$800 million of pipeline on these industry products and services. So the \$800 million refers to both software or as a service licensing, but also services associated with that. So these are not kind of shrink-wrapped software products. These are services intensive IP-led software. And so what that means is you expect Services revenue to come along with the software or IP revenue.

We'll see over time what the percentage is. We expect more Services revenue than license revenue, substantially more.

So again, that \$800 million pipeline has a lot of Services revenue in it. And again, because it's Services revenue like ClearPath Forward Services that is related to our IP, we would expect that revenue to be higher margin than more generic application development work or managed services work.

So, Joan, I'm going to let Inder add anything he wishes, and then I hope that helps you a bit.

A – Inder Singh – Unisys Corp.: I think that was a great summary. I would just add that as we look at these new services, software-led services, Joan, that we've launched, it's the next natural evolution of our focus industry strategy.

So what we're doing is, as you know, a year ago, really sharpened our focus, got the subject matter experts, got the industry domain experts, in the areas that we're focusing. And then, we're building through last year into this year, and you'll hear more about this, by the way, at our Financial and Investor Analyst Day on Wednesday, but built several new offers that Peter mentioned.

These are already showing very healthy signs of interest from clients. If Ann Ruckstuhl, our Chief Marketing Officer, was here, she would rattle off for you many, many statistics associated with each one of them. Doesn't mean it turns into revenue right away. But when we look at these offers, they fall very neatly into our focus industry.

So step one, establish the focus industries. Step two, launch new offers into those industries. And as Peter noted, these are software-based, software-led, so we do expect them to be higher margin over time.

A – Peter Altabef – Unisys Corp.: Yeah. ,And Joan, I would just add a fourth item, which is security. So the security, obviously, has again a technology element to it, in the sense of licensing for Stealth. But there is a services element to it, both services around Stealth, which would be akin to the services around the eight industry products, but also managed security work.

You may have seen a press release that we issued only, I guess, two weeks ago where we appointed Jonathan Goldberger as our new Head of Security Services for us. He's outstanding and I could tell you that the team we have built underneath him is also outstanding. So we really do expect growth in that area as well.

Q – Joan Tong – Sidoti & Co. LLC: That's very helpful. And then, my follow-up is, Peter, you mentioned about Europe getting close to inflecting and, obviously, that has been a pain point for you or area for you guys. So as you are concluding your restructuring, the current restructuring plan as Inder mentioned earlier in the prepared remarks, is there another area like going forward that you think that you need to restructure on or this is it, we are pretty much done with all the heavy lifting? Thank you.

A – Peter Altabef – Unisys Corp.: Yeah. It is the tail. And I do expect we'll continue to have some restructuring in Europe next year. I think we've been very clear about that. At this point, we do not expect to increase the overall size of that restructuring budget. If we do a little bit, we will let you know, but it is still in the order of magnitude. But there is still some work to be done in Europe, but I will tell you, we are much more focused about it and we feel much better about where we are.

A – Inder Singh – Unisys Corp.: I would just add to that. I think that the modest increase that Peter is talking about is, in our case, probably associated with the iPSL joint venture that I talked about, which is going through an upgrade of its system from manual to automated. So on the other side of that upgrade, hopefully, a better business overall.

And on our side, the \$300 million [cost reduction charge] could go to \$310 million, somewhere in that range, I would not be surprised. The good news is, we've been very efficient with our restructuring charge, Joan. So in the past, we've told you that we expect to exit this year with \$230 million of annualized savings. I'm happy to say that that number is now more likely to be \$250 million of annualized savings, as we exit 2017.

Q – Joan Tong – Sidoti & Co. LLC: Okay. Thank you.

Operator: And there looks to be no further questions. So this will conclude the question-and-answer session. I would like to turn the conference back over to Peter Altabef, for any closing remarks.

Peter Altabef, CEO

I'd like to again note that we're pleased with the results this quarter and the progress we've made particularly sequentially from last quarter. We remain keenly focused on the work we need to continue to do for the rest of this year to close out strongly and to position us well heading into next year.

We look forward to that opportunity and to speaking with you again next quarter.